GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:284
ANSWERED ON:02.08.2002
VANASPATI UNITS
PATY RIPPLE KYNDIAH

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the number of vanaspati units in the country as on date, State-wise;

(b) the number of such units which are lying closed, State-wise;;

(c) whether the vanaspati industry has shown only marginal growth during the past two years;

(d) if so, the reasons for such slow rate of growth of the said industry in the country; and

(e) the action taken by the Government to revive the closed vanaspati units?

Answer

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD YADAV)

(a),(b),(c),(d)&(e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a),(b),(c),(d)&(e) OF THE STARRED QUESTION NO.284 FOR ANSWER ON 02-08-2002 IN THE LOK SABHA.

(a)&(b): There are 232 vanaspati units in the country out of which 86 units are lying closed at preset. State-wise details are enclosed (Annex).

(c): According to available information, annual capacity of the vanaspati industry (in terms of vanaspati, margarine, bakery shortening and refined oils) has increased from 45.22 lakh MTs to 63.09 lakh MTs during the last two years, thus representing a growth of 39.5%.

(d): Does not arise.

(e): The closure of the vanaspati units was on account of various factors, such as creation of production capacity not commensurate with availability of raw materials, obsolete technology, poor economies of scale, competition from cheaper imports from Nepal under the India-Nepal Trade Treaty, etc. The measures taken by the Government to improve the health of the domestic vanaspati industry include, inter alia, the following:

(i) On the import of Crude Palm Oil (CPO) intended for the manufacture of vanaspati, customs duty is levied at a concessional rate.

(ii) The India-Nepal Treaty of Trade has been revised w.e.f. 6.3.2002. Under this revision, the total quantity of duty free import of vanaspati from Nepal has been fixed at one lakh MTs per annum. The import of vanaspati from Nepal has also been canalized now through the Central Warehousing Corporation (CWC).

(iii) With effect from 1.3.2002, Special Additional Duty (SAD) @ 4% is being levied on import of vanaspati from Nepal.

ANNEX

ANNEX REFERRED TO IN REPLY TO PARTS (a)&(b) OF THE STARRED QUESTION NO. 284 DUE FOR ANSWER ON 02-08-2002 IN THE LOK SABHA.

VANASPATI UNITS IN THE COUNTRY As on 24.7.2002

State/Zone	Total No.of Units	No. of Running Units	No. ofClosed Units
EAST ZONE			
Assam	2	0	2
Bihar	6	3	3
Orissa	4	1	3
West Bengal	14	9	5

Manipur	1	0	1
Sikkim	1	0	1
Sub Total:	28	13	15
WEST ZONE			
Gujarat	12	8	4
Maharashtra	23	12	11
Madhya Pradesh	15	10	5
Sub Total:	50	30	20
NORTH ZONE			
Delhi	1	0	1
Himachal Pradesh	2	2	0
Haryana	14	11	3
J&K	8	6	2
Punjab	33	22	11
Rajasthan	19	8	11
Uttar Pradesh	33	23	10
Sub Total:	110	72	38
SOUTH ZONE			
Andhra Pradesh	21	15	6
Kerala	4	1	3
Karnataka	5	2	3
Tamil Nadu	14	13	1
Sub Total:	44	31	13
GRAND TOTAL:	232	146	86